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CONTRACT SETTLEMENT TRAINING GUIDE

Policies and programs to be used in training war contractors

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January 1945

Submitted to the Director of Contract Settlement by the Contract Settlement Advisory Board's Committee on Training comprising representatives of the following agencies:

War Department	War Production Board
Navy Department	Smaller War Plants Corporation
Treasury Department	Department of Justice
United States Maritime Commission	Bureau of the Budget
Reconstruction Finance Corporation	Office of Contract Settlement

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NATIONAL TRAINING ORGANIZATION AND POLICIES

Committee on Training of the Contract Settlement Advisory Board

Pursuant to the Contract Settlement Act of 1944, the Director "shall prescribe policies, principles, methods, procedures and standards to govern . . . the performance of the duties and functions of all government agencies . . . with respect to contract termination. By the same statute there was created a Contract Settlement Advisory Board composed of the heads of the major contracting agencies and the Attorney General.

Members of the Board, at the request of the Director, appointed representatives to serve on its Committee on Training. The latter is not an operating group—its functions are to make policies, to coordinate procedures, and to set standards. Contractor training will continue to be conducted by field offices of contracting agencies and will be coordinated by the recently constituted Subcommittees on Training and Information of the local Termination Coordination Committees.

As one of its first steps in discharging its responsibilities, the Contract Settlement Advisory Board's Committee on Training submits to the Director this guide for contractor training. Prepared by a subcommittee, the material was developed upon the basis of field experience and was checked for practicability with the local Subcommittees on Training and Information in New York, Chicago, and Philadelphia. The advice and counsel of the members of these groups proved most helpful and is greatly appreciated.

NATIONAL TRAINING POLICIES

Assistance given to the individual contractor in his own plant on his own problems is the most productive method of training but is not possible in many instances and not necessary in others.

The following policies are submitted for the guidance of all government agencies in contract settlement training for *groups of contractors.* It is realized that these policies are not new, but they are based on successful experience and are commonly recognized as substantial aids in getting the greatest net results for the effort expended.

1. CONTRACTOR TRAINING MUST BE A JOINT EFFORT

Contractors must get the same story—no matter where they are located. This can be done effectively only if contracting agencies in the field join together to do the job. Contractor group training programs should, therefore, be jointly sponsored and jointly conducted, except in the rare instances where technical considerations make it impracticable.

Formal programs or single short meetings proposed within a single Termination Coordination Committee area are to be coordinated by prior communication with the local Subcommittee on Training and Information. Participation by contracting agency personnel in any meeting sponsored by a business or professional organization, or in

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any university course which is not interagency sponsored is to be similarly coordinated.

Formal programs or meetings proposed by an individual contracting agency, or component thereof, to affect more than one Termination Coordination Committee area are to be coordinated by communication with appropriate authority prior to issuance of instructions to the field. Such authority in the War Department is the Readjustment Division, Headquarters, Army Service Forces; in the Navy Department, the Industrial Readjustment Branch, Office of Procurement and Material; in other agencies, equivalent staff units.

2. ALL WAR CONTRACTORS—BOTH PRIME AND SUB—MUST BE TRAINED

Contract settlement training must be made available to all war contractors within each Termination Coordination Committee area. It is the responsibility of field offices of the contracting agencies to conduct training, coordinated by the Subcommittee, for all local contractors.

3. COSTS OF TRAINING SHALL BE BORNE BY THE WAR CONTRACTOR

Wherever university registration or tuition fees are involved, they shall be borne directly by the war contractor and shall not be underwritten by contracting agencies. *Reasonable charges for such training are reimbursable in the same manner as other similar settlement expenses.* NOTE.—Whenever this idea is expressed in promotional material, it should be stated in the exact words of the preceding sentence, which have been checked with Office of Contract Settlement counsel.

4. CONTRACTOR TRAINING MUST HAVE AS A MINIMUM BASIS THE JOINT ARMY-NAVY CONTRACTORS' GUIDE

So that all contractors will be given the same approach to the subject, each type of training must treat the major topics of contract settlement developed in the joint Army-Navy Contractors' Guide. Frequent reference should be made to the sequence of steps in the settlement procedure and the contractor should always know what step is currently being discussed.

Much of the training will go beyond the material covered in the guide. The guide should be regarded as the base or "floor" for all instruction, but not as a limitation or "ceiling." The appropriate statutes, the Joint Termination Regulation and other pertinent material will be cited as necessary.

NATIONAL TRAINING PROGRAM

This training guide sets forth as a unified program those types of training which have been most successful and which should be used in a uniform manner throughout the country. At a later date suggested programs will be issued; they should be followed as closely as practicable by local Subcommittees on Training and Information in their coordination, so that contractors in all parts of the country will get approximately the same information.

Chairmen of local subcommittees are requested to submit constructive ideas which they believe will result in more effective instruction

to: Chairman, Committee on Training, Office of Contract Settlement, via the Readjustment Division, Army Service Forces, or the Industrial Readjustment Branch, Navy Department. Ideas which represent a substantial improvement will promptly be made available to other subcommittees.

The accompanying chart shows the various stages of training—from the most elementary to the relatively advanced. Field offices of contracting agencies, coordinated in each area by the local subcommittee, are responsible for all phases of the program, although all types of training are not necessary in every community within the area. The job will be completed and the subcommittee will have discharged its full responsibility only when every prime and subcontractor in the area is familiar with contract settlement procedure, understands the standard forms and can complete acceptable inventories and properly prepare settlement proposals.

It is especially important that each person who presents any part of the training program mention the other stages and urge contractors to take advantage of those they need. The contractor must never be left with the impression that he has learned "everything there is to know" about contract settlement—training is a continuing process. The contractor can pursue the process through as many stages as his needs require without being away from his plant for an extended period.

From time to time field-tested lecture and discussion outlines and illustrative cases and problems will be issued to aid in improving the following types of instruction which are now being carried on:

(1) Brief talks.

Contractors are told about the importance of the problem in short talks at meetings of manufacturers' associations, chambers of commerce, service clubs, etc. Except where specialized professional groups, such as engineers or accountants, are addressed, the speeches should deal solely with the simple basic steps every contractor should take and should stress the need for contractors to participate in formal training.

(2) Single-session meetings.

The major phases of contract settlement are covered and increasing emphasis is being placed on actual practice in filling out inventory and proposal forms. Although attendance at a single session is of great value to contractors, they should be urged to attend a longer and more detailed course. Under no circumstances should the contractor leave the single session feeling that he has been given the "know-how" of contract settlement.

(3) Multiple-session courses.

The same major phases of contract settlement are covered in these courses as in the short meetings but in much greater detail—with or without university assistance. The advantages to contractors of attendance at specialized sessions on technical problems should be emphasized.

(4) Technical sessions.

(*a*) Inventory and plant clearance.

This type of specialized group instruction is an essential part of the program. Every effort must be made to be sure that every contractor who needs it receives this type of training. It can be conducted

on successive half days or on any time schedule that seems best to fit the local need. As these sessions are definitely technical, contractors should not be encouraged to attend unless they are specialists in the field or have successfully completed a multiple-session course.

(*b*) Accounting.

The principles outlined immediately above are applicable.

(5) Individual assistance.

Individual assistance, as previously stated, is recognized as being the best type of instruction. Care must be taken to avoid duplication of effort by contracting agencies with respect to a single contractor, by clearance with the local subcommittee.

Every war contractor visited by a contracting agency team must be urged to extend the same type of individual assistance to his subcontractors. This duty of the higher tier contractor cannot be overemphasized.

LOCAL SUBCOMMITTEES ON TRAINING AND INFORMATION

Organization

In accordance with paragraph 832.3 of the Joint Termination Regulation, "the work of the local Termination Coordination Committee is carried on by subcommittees handling particular problems." If the Subcommittee on Training and Information is large, it has been found desirable to designate a small working group.

In most cases, unless the chairman is assigned on a fulltime basis it will be necessary for him to have an executive assistant. In view of the responsibilities outlined in the next section, adequate executive and clerical personnel are essential to the success of the local training program.

Responsibilities

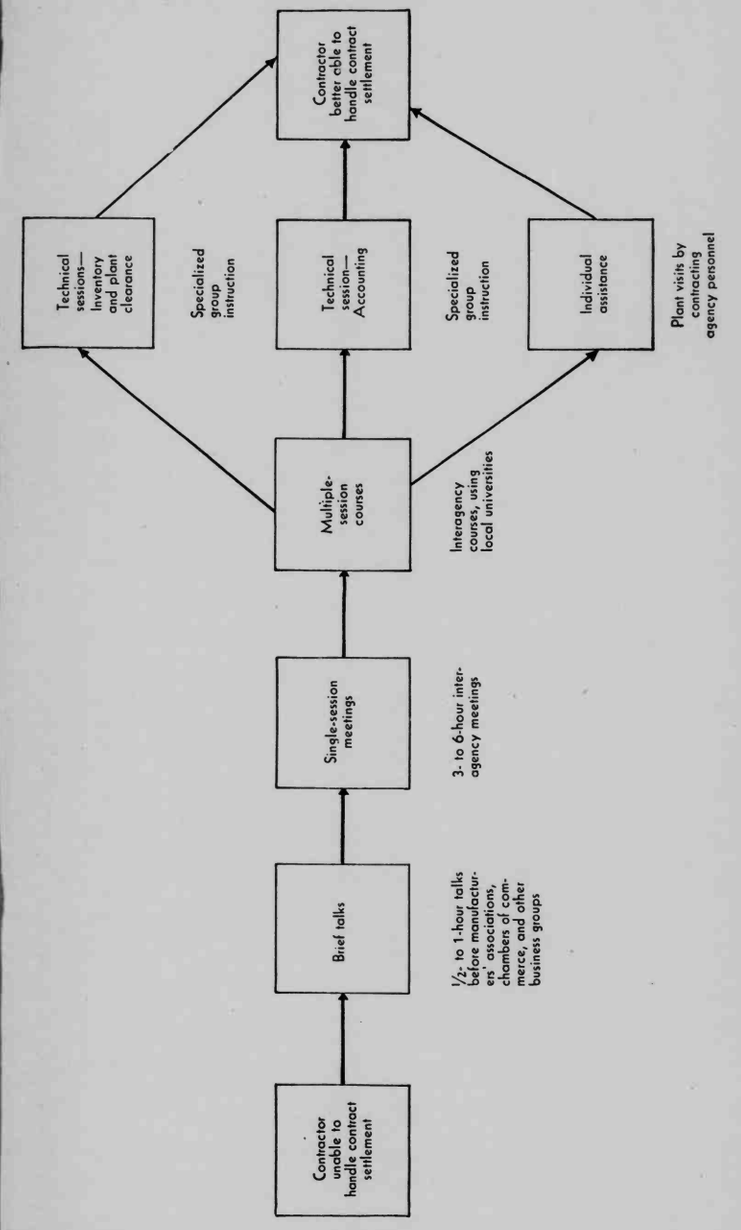
General:

Each local Subcommittee on Training and Information is to organize, and be responsible for coordinating the conduct of, those phases of the contractor training program which are needed in its own area. The training job, as previously stated, will be completed, and the subcommittee will have discharged its training responsibilities, only when every prime and subcontractor in the area has been so instructed that he is familiar with contract settlement procedure, understands the standard forms and is able to complete acceptable inventories and properly prepared settlement proposals.

Specific:

The specific training responsibilities of each local subcommittee are:

1. To determine which types of instruction are necessary in its area.
2. To determine specific communities in which the selected types of instruction shall be given and to schedule such training.
3. To organize, arrange for the assignment of personnel, and initiate all such contractor training.
4. To supervise and to maintain quality control of all training so initiated, to the end that each contractor learns to prepare a suitable inventory list and proposal.


Contractor unable to handle contract settlement
Brief talks
½- to 1-hour talks before manufacturers' associations, chambers of commerce, and other business groups
Single-session meetings
3- to 6-hour interagency meetings
Multiple-session courses
Interagency courses, using local universities
Technical sessions—Inventory and plant clearance
Specialized group instruction
Technical session—Accounting
Specialized group instruction
Individual assistance
Plant visits by contracting agency personnel
Contractor better able to handle contract settlement

5. To establish a master file of all war contractors—both prime and sub—located within its area.
6. To develop suitable promotional methods and see that they are applied—so that each contractor will be urged to participate in meetings, courses, or sessions or to be individually assisted until he is adequately trained.
7. To submit through its chairman suggestions and ideas for the improvement of training to the Chairman, Committee on Training, Office of Contract Settlement—via the Readjustment Division, Army Service Forces or the Industrial Readjustment Branch, Navy Department.
8. To submit a brief report to the Office of Contract Settlement (as in 7 above) on the last day of each month, covering accomplishments and current problems.

PROCEDURE

THE CONTRACTOR MUST BE TAUGHT IN SPECIFIC TERMS OF "WHAT TO DO"

The contractor, wherever practicable, must receive his instruction in terms of "Here's the first thing you *do*"—"Here's the second thing you *do*," and so on. Generalizations and theories should be used sparingly and when used should be given practical meaning through the use of specific examples. Background and history should be given only when necessary to proper explanation of the "why" of certain government rulings, for example, the nonallowance of reconversion costs.

THE CONTRACTOR SHOULD LEARN BY *DOING*

The contractor must learn how to prepare his claim by practicing small segments of the settlement process. Long talks or lectures are to be avoided. Short explanations should be followed immediately by discussion or practice, to fix each idea or step firmly in the contractor's mind before the next point is covered. This may be accomplished by:

Practice on segments of the contractor's own problems (when of general interest).
Work on illustrative problems previously prepared.
Explanation by the contractor of his understanding of the point presented, or of what he will have to do about it in his own plant.

The one and only result that counts is a contractor who knows how to complete an acceptable inventory list and a properly prepared settlement proposal.

VISUAL AIDS SHOULD BE USED

Large charts, forms, diagrams, and similar media should be liberally used to facilitate ready understanding. Experience and ingenuity will bring to light many effective ways of enlivening the subject matter and making it clear and understandable.

Instructor Personnel

The entire success of the contract settlement training program depends upon the performance of speakers, instructors, and discussion leaders.

It is, therefore, of the utmost importance that care be given to the proper selection of instructor personnel by the agencies and that the subcommittees review such selections in advance. This should involve not only an examination of each man's business experience but personal interviews by at least two members of the committee.

In general, as the contractor goes through the various stages of training, public speaking ability on the part of the instructor becomes somewhat less necessary and, conversely, technical knowledge grows more important. While the speaker at the Rotary luncheon must be able to hold and inspire his audience, the instructor at a technical session must be highly proficient in his specialty, but needs somewhat less public speaking ability.

Rank and age are not of material significance in the multiple-session course or the technical session. Experience shows that the students therein can soon recognize technical knowledge and the ability to impart it. In chamber of commerce talks or short meetings, on the other hand, it has been found unwise to assign younger officers, even though they are technically competent, to give brief addresses to businessmen in their forties and fifties.

It cannot be too strongly emphasized that the local subcommittee must take a firm hand in arranging for the assignment of properly qualified personnel by the constituent agencies. The subcommittee, also, must not hesitate, after proper check by actual observation, to request the replacement of Government or university instructors whose talents lie in other fields.

Quality Control

Mere attendance at meetings or courses by a contractor does not prove that he is adequately trained. All training must seek but one result—a contractor competent to complete an acceptable inventory and a properly prepared settlement proposal. Members of the local Subcommittee on Training and Information should personally check the subject matter taught and the effectiveness of the teaching. Prompt corrective action must be taken whenever any improvement is necessary.

A standard brief quiz on the multiple-session course is being developed with field assistance by the Contract Settlement Advisory Board's Committee on Training. It will be short, simple to grade, and objective in nature, for example, short problems and multiple choice and true-false questions. Such a quiz should be given to students on a voluntary basis, but experience in other fields of adult training indicates that mature persons react favorably to such checks, as they are sincerely interested in determining how much they have learned. The results will substantially aid in ascertaining the best methods of presenting material.

Master File

The master file, preferably a card index, must cover every war contractor in the area and will contain, as a minimum: the company's address, general type of business, number of employees, the name of its chief termination officer, and, where known, the contractor's immediate customer. Whenever possible there should also be recorded

the types of items being produced and the procurement agencies and services involved.

The initial information necessary to prepare such an index can be obtained from such sources as local Army Air Forces and Army Service Forces procurement offices, Inspectors of Naval Material, Smaller War Plants Corporation, chambers of commerce, manufacturers' associations, banks, large prime and subcontractors, directories, and mailing lists. Names must then be screened to avoid duplication.

Only if the attendance of contractor personnel at various training sessions is promptly recorded in this file, and only if that information is properly utilized, can the local Subcommittee discharge its general and specific responsibilities.

"Sales Promotion"

Experience has indicated that it is necessary to spend much time and effort on the sales promotion of contract settlement training. Many war contractors, because of their excellent financial condition, believe that such training is unnecessary and that the Government will "bail them out." In promotion, emphasis must be placed on the fact that our national effort is still concentrated on war production and that contract settlements are necessary to "clear the deck" for the adjustment of such production.

Prime contractors in many cases will persuade their subcontractors to take advantage of training opportunities; many banks can and will do the same thing. The contracting agencies, utilizing the master file, must contact contractors, by letter, telephone call, and personal visit, urging attendance at specific local meetings, courses and sessions.

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